

# Consideration of MDOC Lease

## Lease #10965- 5300 Lawton, Detroit

Joint Capital Outlay Subcommittee  
June 7, 2023

## **Department of Technology, Management, & Budget (DTMB)**

Caleb Buhs, Chief Deputy Director

Thomas Fehrenbach, Real Estate Division Director

Kayla Riley, Real Estate Leasing Manager

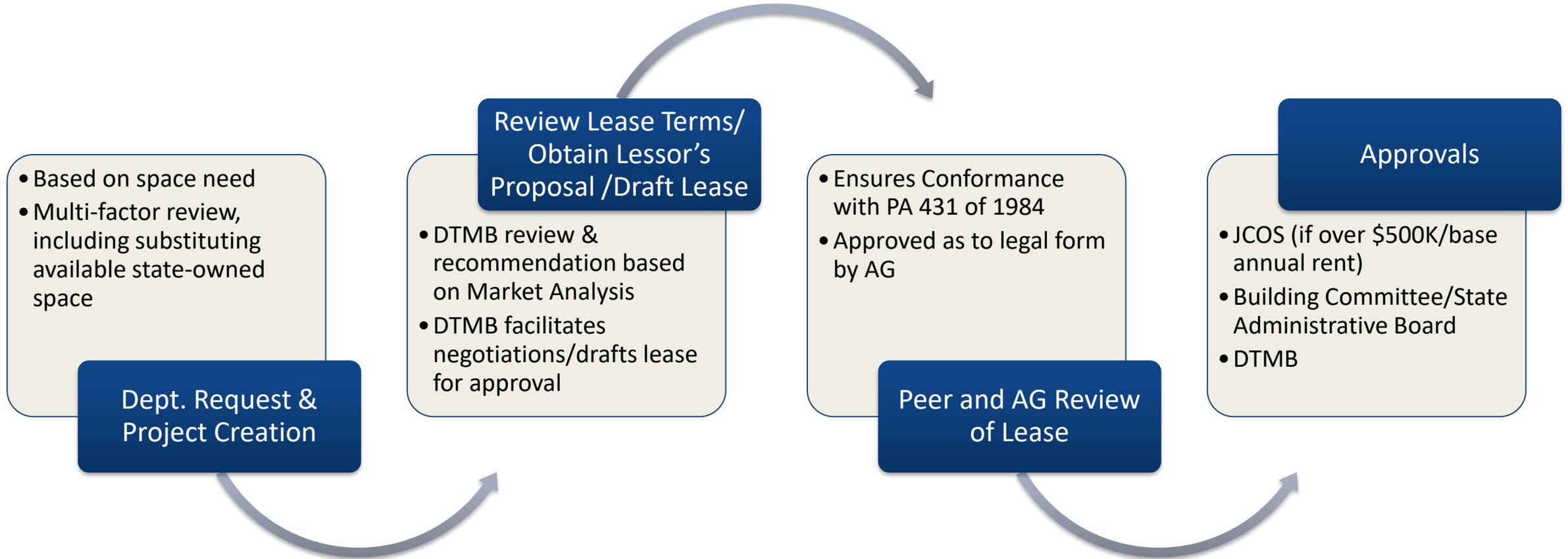
## **Michigan Department of Corrections (MDOC)**

Julie M. Hamp, Procurement Monitoring & Compliance Division Director

1. Overview of DTMB Real Estate Division (RED) Lease process
2. Presentation of Lease for JCOS Consideration
  - Lease details – DTMB RED
  - Operational considerations – MDOC
3. Committee questions & consideration

# Leasing Process Overview

# Leasing Renewal Process Brief Overview



## Different Types of Cancellations

Cancellation Types	Cancellation Descriptions	Context
Legislative Restrictive	Requires Legislative Action.	Highest level of assurance for lessor – usually considered by the State due to very significant up-front investment by lessor for construction, tenant improvements, etc.
Executive Legislative	Requires an Executive Order of Legislative Action, funds are not made available, or space is provided in a State-Owned or managed building.	Very high level of assurance for lessor – usually considered by the State due to high initial up-front investment by lessor
Executive	Requires an Executive Order or a decision by the Director of DTMB in conjunction with the head of the principal State department or agency leasing the space or space is provided in a State owned or managed building.	High level of assurance for lessor – usually considered by State due to initial up-front investor by lessor
Standard	Can be cancelled at any time by the State given the appropriate days notice.	Standard cancellation

# Lease Details – 5300 Lawton, Detroit

- Renewal Lease. Corrections has been in the facility since 2003.
- 38,494 total square feet 36,214 square feet of office space and 2,280 square feet of garage space
- Rental rate of \$21.63 psf for the office space and \$5.93 psf for the garage space for the initial 10-year term of the Lease.
  - Corrections pays for janitorial services and supplies, public utilities and pest control directly.
- Ten-year initial lease term with two five-year renewal options.
- Executive cancellation with 180 days' notice for the initial 10-year term, standard cancellation with 180 days' notice for the renewal options, if exercised.
- The Lessor is investing \$750,000.00 or more in improvements to the facility as part the lease renewal.

# Operational Considerations

- Detroit Metro Parole Office
  - Only parole office in Detroit
  - One of two in Wayne County
- Currently 143 FTEs authorized at location
- Researching capacity for additional offices to be located there
- Currently 1819 parolees being serviced at this location
- Other uses of space
  - Storage of 8 state vehicles
  - Admin offices for prison re-entry
  - Administrative & investigative offices
  - Conferences & trainings

# JCOS Consideration

Motion for consideration:

Approval of Lease Agreement #10965 at 5300  
Lawton, Detroit

# Questions?